

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

345
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FROM: Redevelopment Agency

SUBMITTAL DATE:
June 28, 2011

SUBJECT: Disposition and Development Agreement with Workforce Homebuilders LLC for the Development of the Highgrove Family Apartments in the Unincorporated Community of Highgrove

RECOMMENDED MOTION: That the Board of Directors:

1. Conduct a joint Public Hearing with the Board of Supervisors per Health and Safety Code 33431 and 33433;
2. Find that although the Disposition and Development Agreement, Deed of Trust and Promissory (Agreement) could have a significant effect on the environment, nothing further is required because all potentially significant effects have been adequately analyzed in the Mitigated Negative Declaration Environmental Assessment No. 42406 and have been avoided or mitigated pursuant to the EA No. 42406;

(Continued)

Robert Field
Executive Director

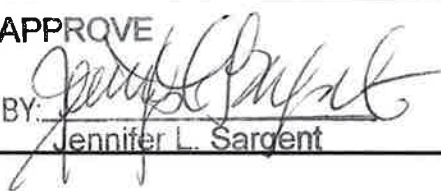
FINANCIAL DATA	Current F.Y. Total Cost:	\$ 7,475,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: Yes

SOURCE OF FUNDS: Redevelopment Low-and Moderate-Income Housing Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: 
Jennifer L. Sargent

County Executive Office Signature

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY:  SAMUEL WONG
 FORM APPROVED COUNTY COUNSEL
 BY:  ANITA C. WILLIS
 DATE: 6-29-11

Dept's Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 4.3 of 4/20/2010

District: 5

Agenda Number:

4.5

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

RECOMMENDED MOTION: (Continued)

3. Approve the attached Disposition and Development/Affordable Housing Agreement, Deed of Trust, and Promissory Note by and between the Redevelopment Agency and Workforce Homebuilders LLC;
4. Authorize the Chairman of the Board to execute the attached Agreement; and
5. Authorize the Executive Director, or designee, to execute the necessary agreements required to allow Workforce Homebuilders LLC to assign the Agreement to a limited partnership to be formed at a later date, in connection with the ownership structured required for the limited partner tax credit equity contribution, subject to approval by Agency Counsel;
6. Authorize the Executive Director, or designee, to take all necessary steps to implement the attached Agreement, including, but not limited to, signing subsequent, necessary and relevant documents.

BACKGROUND:

The Redevelopment Agency for the County of Riverside (agency) owns approximately a 7.43 acre parcel with Assessor's Parcel Number 255-070-013, located at the southwest corner of Center Street and Michigan Ave in the unincorporated community of Highgrove (site). When the site was acquired by the agency, it was acquired for the purpose of removing blight and future development.

The agency has since built a public library on a portion of the site (.72 acres) which opened in March 2011. The agency has decided that the best use for the balance of the land would be to build an affordable housing project. The agency is in the process of subdividing the site into two separate lots, a .72 acre lot where the current public library is located and a 6.71 acre lot for developing an affordable housing project for low-income households. As such, the agency wishes to sell the 6.71 acre lot (Project Site) to Workforce Homebuilders LLC (Developer) for the development of an affordable housing project. The Developer is proposing to build an 89-unit multifamily affordable housing complex for low-income households (Project). On April 20, 2010, the Board of Directors approved an Exclusive Negotiation Agreement (ENA) with the Developer. The ENA included a loan to the Developer in the amount of \$550,000 for expenses incurred in the entitlement process.

The agency wishes to enter into a Disposition and Development/Affordable Housing Agreement (Agreement) by and between the agency and Workforce Homebuilders LLC, a California limited liability company that will include the purchase of the Project Site by the Developer from the agency and the development of an 89 unit affordable housing complex. Of the 89 units, 61 will be two-bedroom units and 28 will be three-bedroom units, 44 of the units will be restricted to serve households whose income does not exceed 50% percent of the County median income, as defined by California Health and Safety Code Sections 50079.5 and 50105. One two-bedroom unit will be set aside for an on-site manager. There will be seven residential buildings and a community building of approximately 2,411 sq/ft on the Project Site. Other amenities will include a swimming pool and spa, tot lot, laundry facility, leasing office, and maintenance building. The parking lot will wrap around the complex and will consist of 239 parking spaces, with 89 garages and an additional 36 spaces being covered parking.

(Continued)

Redevelopment Agency

Disposition and Development Agreement with Workforce Homebuilders LLC for the Development of the Highgrove Family Apartments in the Unincorporated Community of Highgrove

June 28, 2011

Page 3

BACKGROUND: (Continued)

Additionally, the agency will provide a loan of \$7,475,000, inclusive of the \$550,000 ENA Loan, for the construction of the Project (Agency Loan). In accordance with the ENA upon execution of a Disposition and Development Agreement the amount of the then outstanding balance of the Pre-development Loan shall be credited against any amount which the agency is required to lend Developer pursuant to the Agency Loan.

The total Project budget is \$19,118,286. The sources of funds utilized will be a loan from Federal Home Loan Bank Affordable Housing Program for \$350,000, a permanent loan for \$2,225,403, and a Limited Partner Tax Credit Equity contribution of \$9,067,883.

Notice was given pursuant to Section 33431 and 33433 of the California Health and Safety Code of the agency's intent to sell the Project Site and the consideration of the Agreement. Additionally, County of Riverside Planning department as the lead entity has prepared an Initial Study (EA 42406) to assess the potential environmental effect of the Project. The Initial Study indicated all issues of environmental concern can be adequately mitigated to a level of insignificance. Notice of the Study and proposed Mitigated Negative Declaration has been published in accordance with the California Environmental Quality Act.

The Redevelopment Agency for the County of Riverside recommends that the Board of Directors of the Redevelopment Agency approve the Agreement. Agency Counsel has reviewed the Agreement and approved it as to form.

FINANCIAL DATA:

All the costs related to the development of the project will be fully funded with Redevelopment Housing Set Aside Funds. The agency has budgeted this expense in the FY 2011/12 budget.

Attachments:

Disposition and Development/Affordable Housing Agreement

Deed of Trust

Promissory Note

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



4.3

On motion of Supervisor Ashley, seconded by Supervisor Stone and duly carried, IT WAS ORDERED that the recommendation from the Redevelopment Agency regarding a Public Hearing on the Approval of the Disposition and Development/Affordable Housing Agreement, Deed of Trust, and Promissory Note with Workforce Homebuilders LLC for the Development of the Highgrove Family Apartments in the Unincorporated Community of Highgrove, 5th District is continued to Tuesday, July 26, 2011 at 9:30 a.m.

Roll Call:

Ayes: Buster, Stone, Benoit and Ashley
Nays: None
Absent: Tavaglione

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on July 12, 2011 of Supervisors Minutes.

(seal) WITNESS my hand and the seal of the Board of Supervisors
Dated: July 12, 2011
Kecia Harper-Ihem, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

By: *Kecia Harper-Ihem* Deputy

AGENDA NO.
4.3

xc: RDA, COB